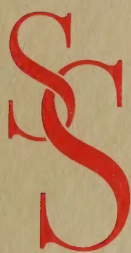
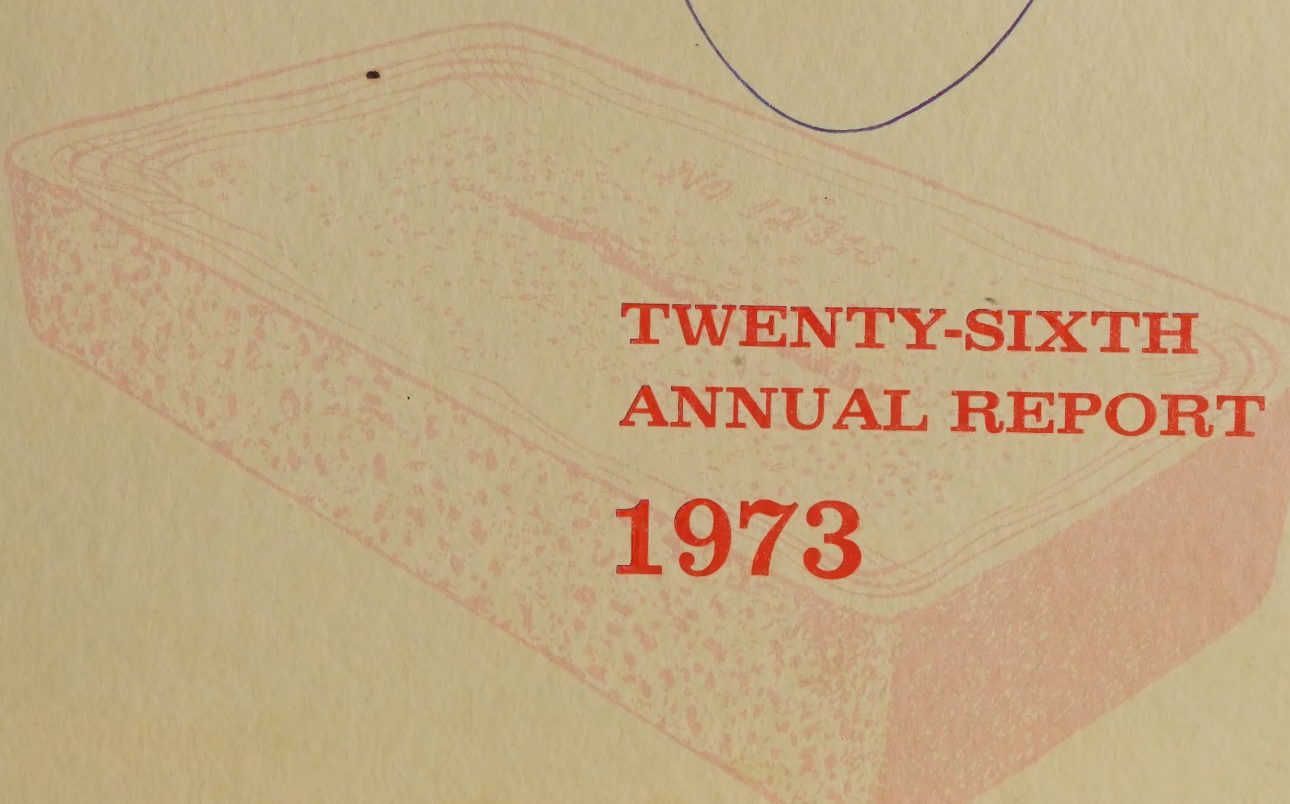


AR21



**SILVER
STANDARD
MINES
LIMITED**

(Non-Personal Liability)


**TWENTY-SIXTH
ANNUAL REPORT
1973**

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

DIRECTORS

DONALD M. CLARK, Q.C. Vancouver, B.C.
HARRY B. GILLELAND Vancouver, B.C.
NORMAN B. KEEVIL, Jr., P.Eng. Vancouver, B.C.
ALEX C. RITCHIE, P.Eng. Vancouver, B.C.
E. CECIL ROPER, P.Eng. Vancouver, B.C.
JOHN E. SMART Vancouver, B.C.
JOHN W. STEWART, P.Eng. Vancouver, B.C.
LEONARD G. WHITE, P.Eng. Vancouver, B.C.
KEITH A. WILSON Vancouver, B.C.
RIDGEWAY W. WILSON, P.Eng. Vancouver, B.C.

OFFICERS

President and Chief
Executive Officer RIDGEWAY W. WILSON, P.Eng.
Executive
Vice-President ALEX C. RITCHIE, P.Eng.
Vice-President DONALD M. CLARK, Q.C.
Secretary-Treasurer ROBERT H. RAYNER

Transfer Agents and Registrars

The Canada Trust Company,
901 West Pender Street, Vancouver, B.C.
110 Yonge Street, Toronto, Ont.

Head Office

808-602 West Hastings Street, Vancouver, B.C.

Auditors

Campbell, Sharp, Nash & Field Vancouver, B.C.

Annual Meeting

The Annual General Meeting of the Shareholders of Silver Standard Mines Limited (Non-Personal Liability) will be held on Thursday July 19, 1973, in the Kent Room, Hotel Georgia, Vancouver B.C., at 11:00 o'clock in the forenoon (Vancouver Time).

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

COMPARATIVE INTERIM FINANCIAL STATEMENTS
for the six months ending September 30, 1973 and 1972

SOURCE & APPLICATION OF FUNDS

SOURCE OF FUNDS:	1973	1972
Working Capital — beginning of period.....	\$ 55,887	\$ 288,476
Interest income from investments.....	5,143	4,126
Management income.....	103,564	108,956
Equipment rentals.....	7,722	7,164
Sale of treasury shares.....	511,250	—
Sale of sundry assets.....	—	650
Return of advance to associated companies.....	32,455	—
	<u>\$716,021</u>	<u>\$ 409,372</u>

APPLICATION OF FUNDS:

Operating expenses.....	\$131,236	\$ 126,828
Loss on sale of security.....	2,500	—
Purchase of equipment.....	5,130	—
Exploration & development.....	904	471
Mining properties.....	—	9,664
Due from associated companies.....	6,411	96,058
Shares of subsidiary companies.....	14,923	—
	<u>\$161,104</u>	<u>\$ 233,021</u>
(Decrease)/Increase in Working Capital.....	<u>\$499,030</u>	<u>\$ (112,125)</u>
Working Capital — end of period..	<u>\$554,917</u>	<u>\$ 176,351</u>

OPERATIONS

INCOME:		
Interest income.....	\$ 24,049	\$ 23,032
Management & engineering services.....	103,564	108,956
Rental income.....	7,722	7,164
	<u>\$135,335</u>	<u>\$ 139,152</u>
EXPENSES:		
Operating costs.....	\$131,236	\$ 126,828
Exploration.....	904	471
	<u>\$132,140</u>	<u>\$ 127,299</u>
NET INCOME.....	<u>\$ 3,195</u>	<u>\$ 11,853</u>

Note:

1. No depreciation is included in operating costs.
2. No income taxes are payable.
3. The above figures are subject to year-end audit.
4. Teck Corporation has expended \$1,936,128 on the company's properties and has received 1,066,666 shares for the first \$1,800,000 and is entitled to receive 136,128 shares for the additional \$136,128 expended.



SILVER

STANDARD

MINES

LIMITED

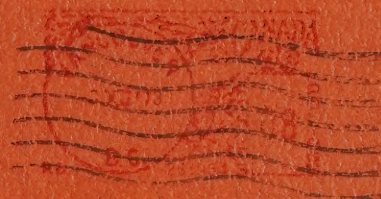
SEMI-ANNUAL REPORT

November 30, 1973

808 - 602 WEST HASTINGS ST.
VANCOUVER, B.C. V6B 1P2

AR21

Globe & Mail
140 King Street West
Toronto, Ontario





SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

SEMI-ANNUAL REPORT

To the Shareholders:

Since the date of our Annual Report the fortunes of your company have taken a decided turn for the better. In the space of a few months Silver Standard has acquired an important interest in a fine new copper orebody. As the result of an underwriting of treasury shares, our financial position has improved and Working Capital stands at \$554,917. Present thinking is to put the Minto Copper property in production as rapidly as possible. The combination of high grade ore and relatively low capital and operating costs suggests a short pay-back period and a highly profitable mining operation.

Following staking of the Minto claims in 1971, Silver Standard and its partner, American Smelting & Refining Co., were convinced they had made an important copper discovery. Two seasons of drilling and trenching confirmed the widespread and high grade nature of the mineralization, but failed to establish an orebody. Things have changed. A total of 35,696 feet has been drilled now in 81 holes and drilling has been suspended for the season. Dr. R.H. Seraphim, Silver Standard's geological consultant, has summarized the results of drilling to date. Referring to the orebody that straddles the common boundary with the Falconbridge group of companies, he states that the portion lying on the Silver Standard-Asarco ground contains 3.5 million tons of readily open-pit table ore grading 2.12% copper, with recoverable precious metal values. Dr. Seraphim classifies the greater part of this tonnage as drill proven, and estimates that relatively few additional holes are required to elevate the remainder from the drill indicated classification.

The probability of finding additional ore associated with other previously known mineralized areas is high. Indeed, the two most south-easterly holes in the program recently completed contain ore-grade intercepts that suggest we already may be on the fringe of a second area of interest.

In the Yukon, an enlightened government attitude towards much needed new resource industry will be a plus factor as the Minto property is developed and placed in production. This fall, a road is being constructed to provide direct access to the property from the Klondike Highway at Carmacks. The Department of Indian Affairs and Northern Development is contributing to the cost of the road and may cooperate in such matters as power and townsite. This winter, drill results will be computerized, metallurgical tests initiated, and plans finalized for a full-scale program to resume as early as possible in the new year.

Although the Minto operation may be the first to generate a cash flow for Silver Standard, it is by no means your company's only valuable asset. The Schaft Creek property of Liard Copper Mines contains at least 300 million tons of copper-molybdenum ore. This year, Hecla Operating Company decided to limit the scope of future programs until such time as the B.C. Government clarifies proposed new policies that may have an adverse effect on our mineral industry. Nevertheless, development at Schaft Creek soon may be accelerated, for it was encouraging to learn that Hudson Bay Mining & Smelting Co. recently commenced a feasibility study at the neighboring Stikine Copper deposit. Hecla also may advance Schaft Creek to the feasibility stage, for the two operations logically could share such facilities as power, transportation, and townsite.

During the season just past, Silver Standard has had varying degrees of success with its many other ventures. On the East Kootenay claims, a bulldozer encountered excessive overburden, and anomalous zinc values in the soils are left unexplained. Copper-nickel float found in Alaska the preceding year was traced to an area so remote and so precipitous as to discourage further efforts to pinpoint the source. Trenching at the Sterling silver-lead prospect in the Yukon Territory again failed to provide a satisfactory explanation for high-order geochemical anomalies. On the other hand, west of Pemberton, B.C., trenches that were drilled and blasted at our Fall Group confirmed the possibility of an important molybdenum occurrence. Also, Texas-gulf obtained encouragement in its percussion drilling at our Red Group and indicates it will have a diamond

drill on the property next season. The Red Group is favorably located in Northwestern B.C., within a few miles of both the Stewart-Cassiar Highway and the B.C. Railway extension. It has the potential for a large-tonnage copper producer. At the moment, a Hanna Mining Co. subsidiary is percussion drilling on a unitized group of claims in Northern Washington State in which Silver Standard has an approximate 18 percent interest.

Six of your company's gold prospects have been given some form of initial test this past season. At Portland-Tide Lake, Black Dome and Nansen Creek, results of minor programs were negative. A newly optioned group in the Queen Charlotte Islands was sampled and mapped. It may be turned over to a major in return for a commitment to do a drill test. Silver Standard's Pellaire property has been vendored to a new private company, Lord River Gold Mines. In late fall, the road to the property was cleaned out and one of the known ore shoots re-sampled. Sampling produced some spectacular gold and silver values and indicated that information resulting from the work carried out by former operators during the 1940's is reliable. Following excellent results obtained earlier this year when a decline was driven under one of the surface ore shoots, Asamera Oil Co. is financing a current 2000-foot underground program at Table Mountain Mines. Management foresees for 1974 a year in which emphasis will be placed on further developing those properties that appear capable of becoming producers in the short term. Naturally, the major portion of Silver Standard's budget will be expended at Minto Copper, and we anticipate no problem in providing our share of the considerable monies that will be required. Mineral exploration in British Columbia again will be downplayed, with prospecting activity confined to a few areas known to have a specific attraction.

On behalf of the Board of Directors,

November 30, 1973

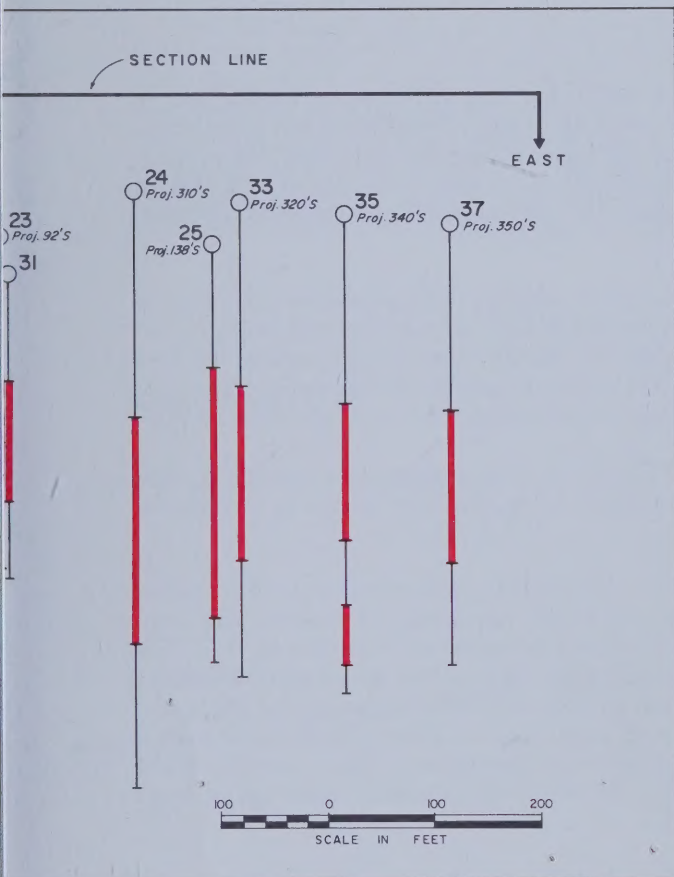
R.W. WILSON
President

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)



AR21



SILVER STANDARD MINES

PROGRESS REPORT
September 11, 1973
MINTO COPPER PROJECT

SILVER STANDARD MINES LIMITED

(NON-PERSONAL LIABILITY)

To the Shareholders:

Silver Standard Mines and American Smelting & Refining Company will step up the pace of the joint exploration program at their Minto copper property in the Yukon Territory. Coincident with the accelerated program, Asarco will exercise its right to assume management of the project. Results to date indicate an orebody of some magnitude still wide open to the south and east on Silver Standard - Asarco ground. The high-grade nature of the deposit suggests an exceptional profit potential.

At the present time, preparations are being made to enlarge and winterize the camp at Minto. A second drill is going in and an all-terrain-vehicle has been acquired which will support the drill program. One drill will be employed in expanding the ore zone on the present 100-foot grid, while the second drill primarily will be engaged in testing a large favorable area to the south. The wet and low-lying terrain is such that it is advantageous to conduct the work after freeze-up.

The immediate program includes 13,000 feet of diamond drilling at an expenditure of some \$300,000. This work should be completed in November and there is every reason to believe the program will be continued beyond that time.

The Minto property was discovered in 1971 by Silver Standard exploration crews as a result of a regional program of geochemistry financed jointly by Silver Standard and Asarco. The companies have equal interests in 93 claims located 150 miles northwest of Whitehorse, Y.T. The claim block lies in pleasant gently rolling country within 15 miles of the all-weather Klondike Highway. Diamond drilling and trenching carried out in 1971 and 1972 demonstrated that good grade copper mineralization occurs over a widespread area. No real attempt was made at that time to delimit any of the several mineral zones that were discovered. Also, because of the physical difficulties involved, work was deferred in the low-lying areas that make up perhaps half of the favorable ground on the Minto property.

Discovery now of the new orebody at the north end of the claim block greatly enhances the ground upon which we have previously worked. An indicated 2,500,000 tons of 1.5% copper contained in four previously discovered zones becomes of economic interest, and it is apparent now that each of the mineral zones must be explored in detail. The low-lying areas of the property will be tested by drilling. Of particular potential is the 2500 feet of low ground that lies between the area of current interest and our Zone 52, where work last year exposed good values over significant widths.

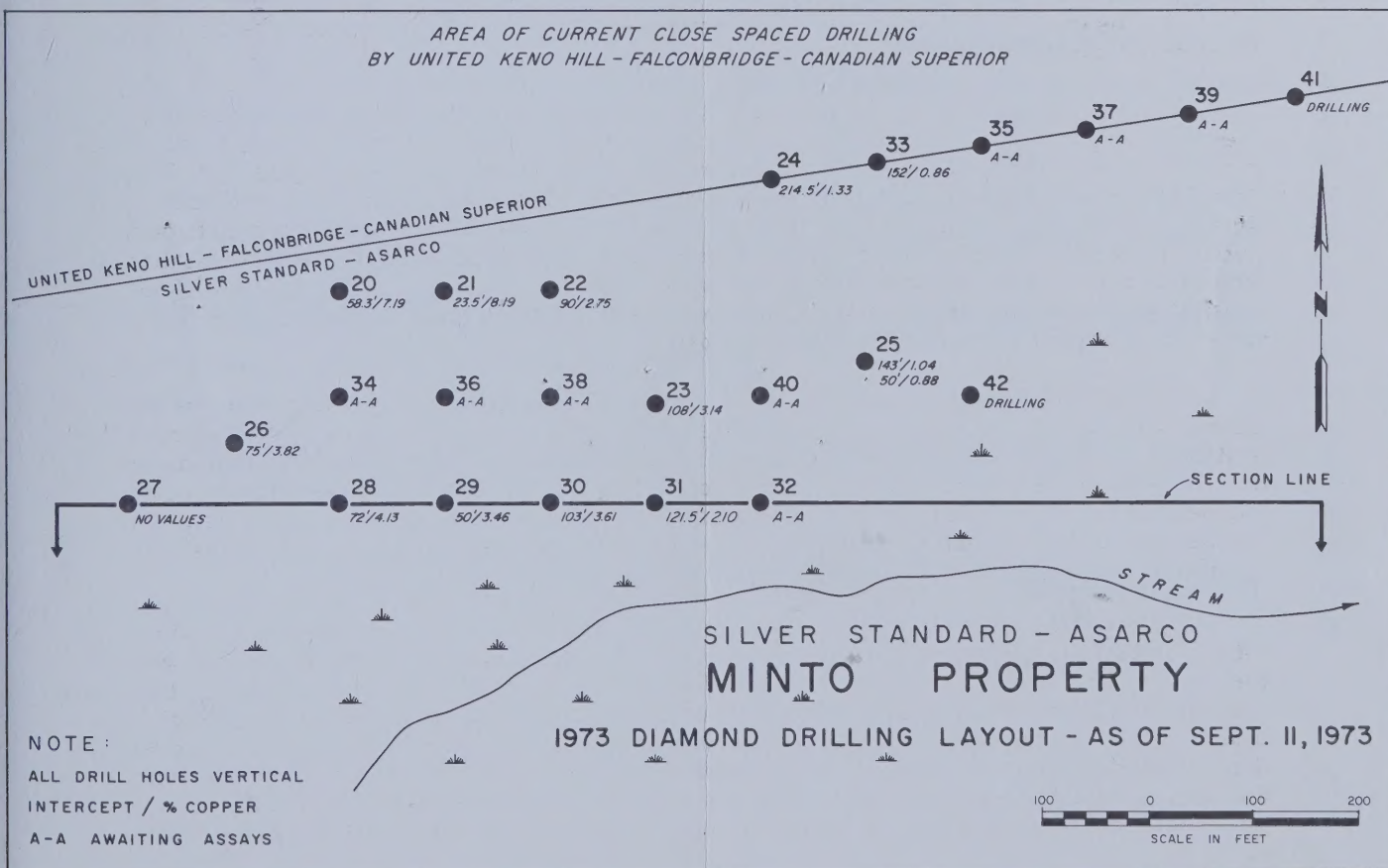
Silver Standard and Asarco have been associated continuously in exploration ventures since 1964. The working agreement provides Asarco with the right to assume control of a project after the sum of \$300,000 has been expended. In order to maintain its 50% interest, Silver Standard must provide its share of costs up to the point at which \$3,000,000 has been spent on the project. It is at this stage of development that generally a production decision may be made, and Asarco is thereafter obliged to provide all the further monies necessary to place the property in production. For each \$2,000,000 advanced, Asarco acquires an additional 1% interest in the venture, up to a total additional interest of 10%. Under no circumstances can Silver Standard be diluted below 40%.

The Minto property is a particularly attractive one, and Silver Standard will provide its full share of the \$3,000,000 which will be expended prior to Asarco assuming the responsibility for major financing. American Smelting & Refining Company is a proven mine operator with an excellent staff and all the necessary facilities to quickly develop a successful operation at Minto. The advantages of having available that company's expertise in planning, production and marketing should be obvious. Silver Standard and Asarco always have maintained a good working relationship, and Silver Standard shareholders can be assured there will be no interruption in the flow of news from the property when Asarco assumes active management.

R. W. Wilson

R.W. Wilson
President

September 11, 1973



MINTO PROPERTY ASSAY RESULTS

Hole No	Interval	Feet	% Copper
20	287.9-346.2	58.3	7.19
21	263-286.8	23.8	8.19
22	205-295	90	2.75
23	137.245	108	3.14
24	213-427.5	214.5	1.33
25	117-260	143	1.04
	305-355	50	0.88
26	231-306	75	3.82
27	No commercial mineralization		
28	195-267	72	4.13
29	191-241	50	3.46
30	155-258	103	3.61
31	102-223.5	121.5	2.10
32	Completed — awaiting assays		
33	181-333	152	0.86
34	Completed — awaiting assays		
35	"	"	"
36	"	"	"
37	"	"	"
38	"	"	"
39	"	"	"
40	"	"	"
41	Drilling in progress		
42	"	"	"



SILVER STANDARD MINES LIMITED

(Non-Personal Liability)



HIGHLIGHTS

- * *We look forward to early final disposition of the court actions stemming from the sale of the Queen Charlotte iron property.*
- * *In view of the record high gold price, Silver Standard will concentrate on developing its gold properties and in acquiring other gold properties of merit.*
- * *High metal prices and the assurance of adequate transportation enhance the outlook for Liard Copper Mines.*
- * *A percussion drill program for our Red Group, a new copper occurrence in Northwestern B.C.*
- * *A diamond drill program on a property package in Washington State in which Silver Standard participates.*
- * *Trenching and perhaps diamond drilling at the Sterling silver-lead property in the Yukon Territory.*
- * *A new zinc discovery in the East Kootenay to be trenched, and drilled if warranted.*
- * *A high grade molybdenum showing in the Pemberton area to be tested.*



REPORT TO SHAREHOLDERS:

Publication of the 26th Annual Report of your company occurs at a difficult time for the mineral industry in British Columbia. Policies put forward at both the provincial and federal levels will have the effect of curtailing new risk capital and decreasing the returns industry can hope to receive for its efforts. Despite our disagreement with such policies, Silver Standard management has adopted the attitude that it can and must live with our new problems. Your company will continue to be active in exploration, albeit with some shift in emphasis. The company will continue to sponsor development of the many properties it now holds, but new efforts will be directed towards the Western U.S.A., including Alaska, and the Yukon Territory.

At the year end, March 31, 1973, Silver Standard's Working Capital stood at \$55,887, a decrease of \$232,589 from that reported at the previous year end. Some economies have been made and management is doing everything possible to improve our cash position. This year, more than the usual effort was directed towards acquiring an operation that quickly could be taken to the stage that it created some cash flow. There are few such mining ventures available.

The Financial Statements do not indicate the expenditures by Teck Corporation in the exploration and development of Silver Standard properties. From the date of the financing agreement, July 31, 1969, Teck has expended a total of \$1,708,904 and has been issued, or is entitled to receive, 1,005,935 Silver Standard shares. The Silver Standard-Teck agreement recently has been amended, the principal effects being to reduce the commitments in 1972 and 1973 to \$300,000 from \$500,000, and in the latter year to reduce the minimum price for which Teck receives shares from \$1.50 to \$1.00. When the depressed value of Silver Standard shares is considered, and in view of the poor climate for raising risk capital in British Columbia, these amendments are realistic. Teck's treatment of Silver Standard has been generous, and the association has permitted your company to maintain

a high degree of activity during a long period of depressed markets and uncertainty within the industry.

As at March 31, 1973, accrued interest in the amount of \$201,433.12 was deemed due from Jedway Iron Ore Ltd. and Granby Mining Company on the balance owing from the sale of the Queen Charlotte iron property. You may recall that Silver Standard won the initial action for payment of interest and that the judgment was upheld in the Court of Appeal. When Granby subsequently failed to make quarterly interest payments, a second action was launched in September, 1971. This suit has not yet been heard, and in the interval, your company has entered a further action for payment of the principal sum, \$670,454.50. Actions stemming from the Queen Charlotte iron sale now have been before the courts for five years. The cases will be heard in the Supreme Court early next fall.

Last year, Hecla Operating Company continued diamond drilling at the Schaft Creek properties of Liard Copper Mines. As a result, a new geological concept evolved which suggests the possibility of greatly expanding the ultimate mineral inventory. Two vertical holes collared 500 feet and 1000 feet north of the Main Liard Zone cut significant long ore-grade intersections at depth. Silver Standard engineers have deferred a new ore reserve calculation, and the estimate of reserves on the Liard Copper property published last year, 294 million tons grading 0.51% combined copper-molybdenum, is unchanged.

Exploration of the Schaft Creek deposit now has been advanced to the point at which only a relatively small amount of fill-in drilling and a program of bulk sampling must be completed prior to carrying out a full engineering feasibility study. Copper prices are high, the molybdenum market is reviving, and at current high prices, gold and silver values that largely are overlooked constitute an important bonus. Unfortunately, under the existing political climate there are serious potential problems associated with bringing a huge open pit mine into production in Northwest British Columbia. Hecla has taken

the position that it would be imprudent to make further large expenditures at Schaft Creek until such time as these uncertainties have been resolved. This year Hecla will conduct a substantial program of detailed mapping, geophysical and geochemical surveys over areas within the claim block that as yet have not been tested, and in particular over those areas that have been designated for plant site, mine waste dumps, and tailings disposal. Silver Standard naturally is disappointed that the Liard Copper property now can not be pushed quickly to production, and indeed has made a strenuous effort to assume a more active role and thereby advance the timetable. On the other hand, we are well pleased with the manner in which Hecla has fulfilled its commitments to date and we can understand the reason for Hecla's decision.

This spring, largely because certain future commitments under the option agreement could not be fulfilled logically by the due dates, Hecla gave notice of termination and returned the property which adjoins Liard Copper on the north to Paramount Mining Company.

There was no activity at the nickel-copper prospect of Nickel Mountain Mines Ltd. during the 1972 season. As reported last year, drilling from the long exploration adit failed to intersect ore grade mineralization. Because nickel markets were weak and supplies of the metal plentiful, Sumitomo Metal Mining Canada Ltd. relinquished its option. The property contains one of the very few sulphide nickel occurrences in Western Canada and is too good a prospect to remain very long in limbo.

This season your company will have work programs at a long list of its properties throughout British Columbia, the Yukon Territory, and the United States. In the Stikine River area, Texas Gulf Sulphur will have a percussion drill operating on our Red Group, a copper occurrence discovered by Silver Standard prospectors in the 1971 season. Last year our exploration in the East Kootenay district turned up high zinc values in stream sediments. The resulting anomaly will be detailed further and tested by bulldozing. We have a high grade molybdenum

showing in the Pemberton area that will be trenched and probably drilled. The outlook for molybdenum has improved.

In the Yukon Territory, joint programs with American Smelting & Refining Co. will continue, although no substantial program is planned for Minto Copper. Last year a large amount of diamond drilling and trenching was carried out. Copper, some of it high grade, is widespread, but to date nothing has been discovered that can be termed an orebody. At the Sterling property a large area of anomalous silver and lead will be tested by bulldozing.

Through its totally-owned subsidiary, American Standard Explorations Inc., Silver Standard is active in the Western United States. Efforts to re-institute the drill program at the Red Ledge mine continue, but to date have been thwarted by environmental problems. We have five strategically located claims in Northern Washington that form part of a property package that will be drilled this summer. In Central Idaho, as an outcome of a joint exploration venture carried out over the past two seasons, American Standard will join two American companies in a drill test of a copper-moly anomaly.

The free market price of gold has risen to a level at which management's long-standing faith in the future of the metal has been justified and our gold properties warrant assessing. At the same time, a real effort is being made to acquire other gold properties of merit. Asamera Oil is financing an underground test of one of the oreshoots at Table Mountain Mines. Silver Standard has a 52% interest in the property. Negotiations continue which are aimed at a large program for the Pellaire mine. A group is examining the Tide Lake gold property with a view to a later diamond drill program. Silver Standard crews will test anomalous areas at Black Dome and Nansen Creek by bulldozing and do some mapping and sampling of the extensive quartz stringer zones at Blue Ice. Recently, Silver Standard optioned a block of claims in the Queen Charlotte Islands. Gold occurs over a large area and the potential exists for an open pit gold mine.



The search for new properties continues, and this year, with the attractive opportunities inherent in the high price of gold, Silver Standard will have an interesting new venture in Western U.S.A. It is planned that Dorita Silver Mines, owned 70% by Silver Standard, will participate in exploring some of the known favorable areas for large low-grade gold deposits. In Alaska, an attempt will be made to find the source of interesting copper-nickel float that was discovered last season. Likewise, specific areas of the Yukon Territory will be revisited. Prospecting in British Columbia will be confined to small parties extending their coverage of known favorable areas of Southern and Central B.C.

The principal asset of your company is still the several billions of pounds of copper metal in the ground at Liard Copper Mines. The Liard Copper orebody now gets full recognition in any inventory of the resources of Northwestern British Columbia. The future of Silver Standard therefore remains closely tied with the rate of industrial progress within the Stikine-Iskut region. Repeated assertions by the Premier to the effect that his government supports the development of Northwestern B.C. give rise to optimism. Adequate transportation arteries are assured, but before a single ton of new product moves south, some important further developments are essential.

The Stewart-Cassiar Highway, twenty years in the building, is virtually complete, providing access into the Stikine from the Northern Trans-provincial Highway at Terrace, B.C. The B.C. Railway extension, due for completion to Dease Lake in 1974, is a far-sighted undertaking. The highway can be justified solely because it opens up a vast area for recreation and tourism. However, the railroad is going to need heavy traffic, and it only can be in the form of mineral concentrates, lumber, and pulp. Main drainages to the east and west of the railroad contain tracts of valuable timber. Two large mining operations, Liard Copper and Stikine Copper Mines, are at the stage that production decisions could be made at an early date. Undoubtedly, there will be others. However, there will be no develop-

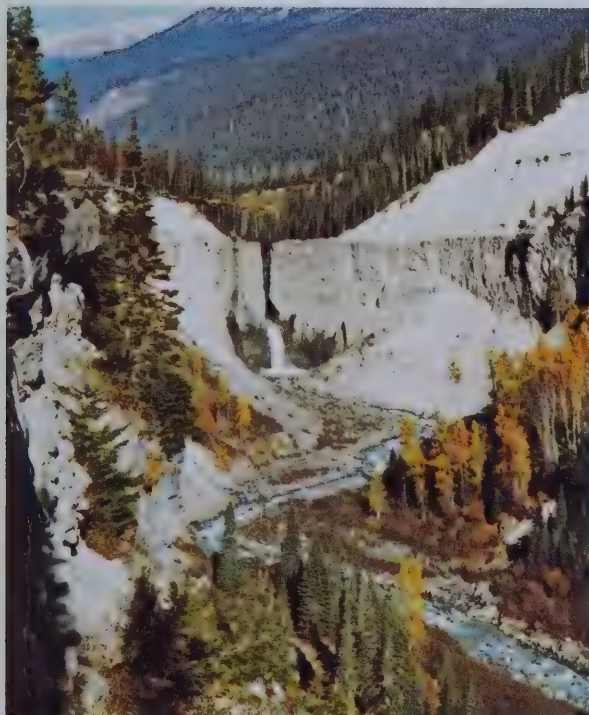
ment and little traffic for the B.C. Railway unless an immediate start is made on construction of main access roads into resource sites and unless some part of the known available hydro power is exploited. A branch line of the B.C. Railway into Telegraph Creek, as recently announced, will be of great benefit to Liard Copper. Surprisingly, there yet have been no statements on power development. It may occur to someone in Victoria that a copper smelter located in the Prince Rupert-Kitimat area, or on B.C. Railway trackage in Central B.C., would be a factor in generating freight in the form of mineral concentrates.

At the forthcoming Annual Meeting of the company, management's nominees for Directors will include the name of R.E. Hallbauer, B.A.Sc. Mr. Hallbauer is President of Brameda Resources Limited, a Director and Vice-President of Teck Corporation, and Managing Director of Afton Mines. He will be a valuable addition to the Silver Standard Board.

As is usual during the year, management has received numerous enquiries from shareholders regarding the outlook for the company. The questions are encouraged and welcomed, for shareholders have been patient indeed. Hopefully, real success for Silver Standard now will not be long in materializing. All members of the staff have worked vigorously to achieve this end, and their efforts are much appreciated.

On behalf of the Board of Directors,

R. W. WILSON
President



Fall Group is located in a scenic area near Pemberton, B.C.



Highest ridges on Pellaire claims are easily reached – if you are traveling by helicopter



Pieces of exceptional high grade are common at Minto copper property



Chuck Kowall, Silver Standard field geologist, has to be sure-footed at times



LIARD COPPER MINES LTD. (N.P.L.)

Liard Copper Mines is a private company in which Silver Standard holds 65.7% of the presently issued shares. McIntyre Porcupine Mines and Kerr Addison Mines are substantial shareholders. For the past five years, Hecla Operating Company has been exploring Liard Copper's copper-molybdenum deposits at Schaft Creek, 40 miles south of Telegraph Creek, B.C. When the property is put in production, and after the return of capital, net proceeds will be divided 70% to Hecla and 30% to Liard Copper.

During the 1972 field season, Hecla drilled a total of 8950 feet in ten holes. This included a single hole drilled on claims owned by Paramount Mining Company. Total diamond drilling at the Schaft Creek properties is now 106,341 feet in 109 holes.

Last year, Hecla's drill program had objectives in three separate areas. Two holes, 2000 feet south of the Main Liard Zone, intersected minor chalcopyrite and sufficient heavy pyrite to account for anomalous I.P. effects. Further holes are required to complete an east-west fence across the anomaly.

Five additional holes were drilled on the higher grade West Breccia Zone with generally predictable results. One particularly fine hole cut 450 feet grading in excess of 1.0% combined copper-moly. The brecciation with which the high-grade mineralization is associated has been shown to extend for some 9000 feet in a north-south direction. It is 100 to 500 feet in width and open to depth. The breccia is largely untested and may well be host to other high grade copper bodies.

In the third area tested last year, two deep vertical holes were drilled 500 feet and 1000 feet north of the Main Liard Zone. In each case the holes cut long ore-grade intercepts. Although the top of the mineralized zone is deep in this area, the implication is that the Main Liard Zone continues north for several thousand feet. Evidence points to the new target area, north and east of previous drilling, and the possibility of greatly expanding the mineral inventory at Schaft Creek.

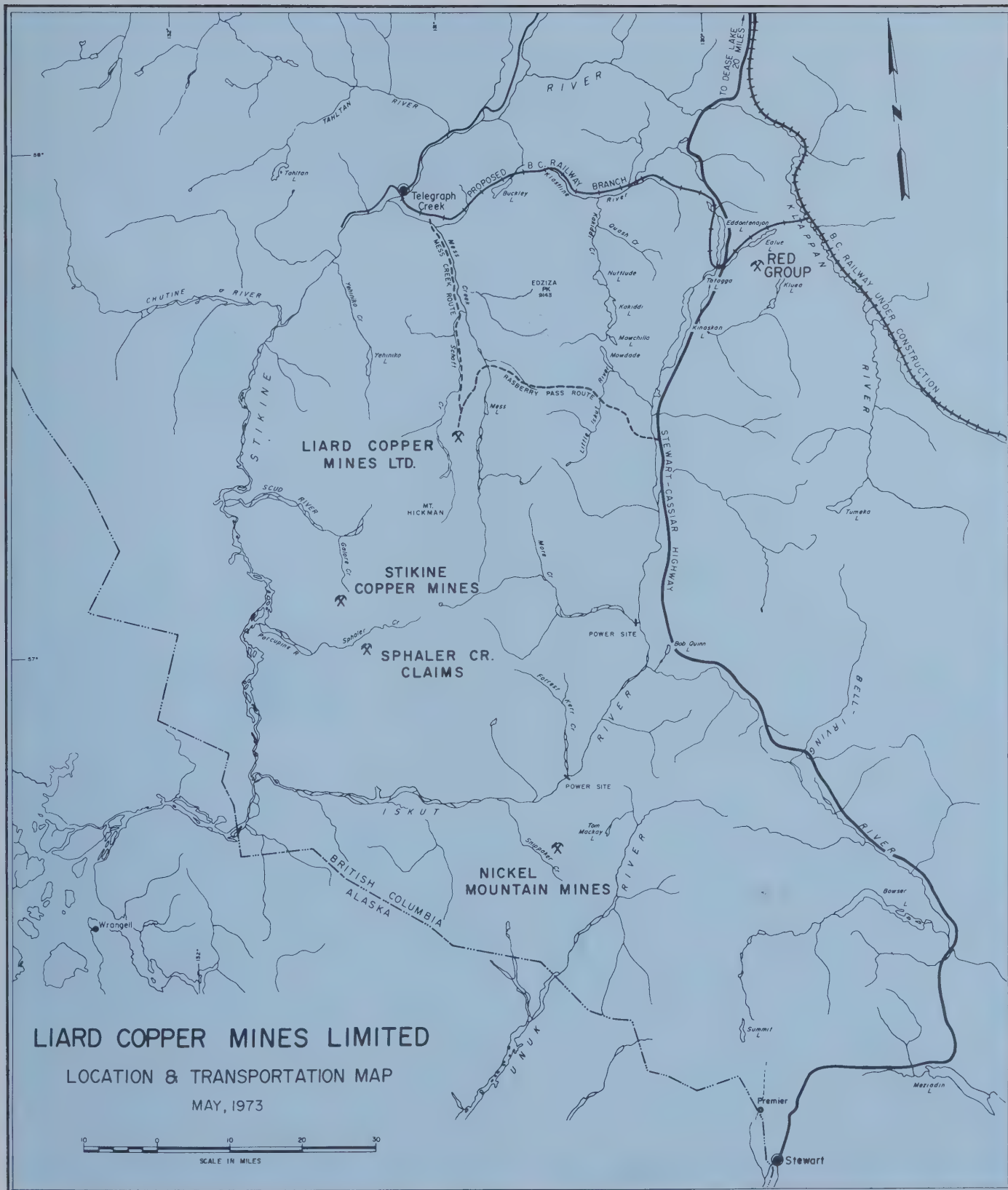
The net result of last year's drilling has been to firm up sections of the Main Liard and West Breccia Zones. Because the option has been

dropped on the adjoining Paramount property, ore reserve figures for Schaft Creek now refer only to Liard Copper ground. Silver Standard engineers have made no new tonnage calculations, and reserves are stated as 294 million tons grading 0.40% copper and 0.036% molybdenite.

As explained in the President's letter to shareholders, Hecla has chosen to make only modest expenditures at Schaft Creek in 1973. However, in view of the prevailing high metal prices, and provided our governments together have not eroded totally the incentive to place new large mines in production, there is reason to believe Liard Copper will be taken to the feasibility stage in the following year.



View of the Liard Copper Mines from airstrip



YUKON TERRITORY PROJECTS

The Minto copper prospect, 150 miles northwest of Whitehorse, Y.T., was found as the result of the crash program of regional geochemistry carried out by Silver Standard and American Smelting & Refining Co. in 1970. Detailed geochem, geophysical surveys, and some drilling during the 1971 season produced encouraging results and indicated widespread copper mineralization of good grade. Drilling continued during 1972, in conjunction with a large-scale bulldozing program that was effective in exposing the mineralized zones and determining drill targets. To date a total of 9765 feet has been drilled in 19 holes.

As a result of the work, it has been shown that the copper mineralization at Minto is erratically distributed over the large area that has been tested. Mineralization undoubtedly extends into adjacent low-lying ground where deep overburden and permafrost preclude trenching and render diamond drilling difficult and expensive. Three areas which are strongly mineralized may be combined to give a modest tonnage of good grade copper, but as yet there has been nothing outlined that can be described as an orebody. Silver Standard and Asarco will do only minor work at Minto in 1973. However, the copper mineralization appears to trend northwest onto adjoining ground held by United Keno Hill, and that company will conduct a substantial drill program this year.

Likewise discovered as a result of the 1970 exploration, the Sterling Group is located 30 miles northwest of Mayo, Y.T. The first target was a particularly high order silver anomaly. During 1972, an extension of the geochem grid produced a large and strong lead anomaly that adjoins the silver area. Two geophysical methods indicate a long linear conductor associated with the high geochemistry. This year a bulldozer will be walked into the claims and it should be a relatively simple matter to pinpoint and assess the underlying mineralization.

Another Yukon program is being carried out over a potential large low-grade gold occurrence near Dawson City, and not far removed from some of the famous old gold-bearing placers. Again, Silver Standard and Asarco are equal partners.



Bleak Yukon area was staked in January following reported new gold discovery



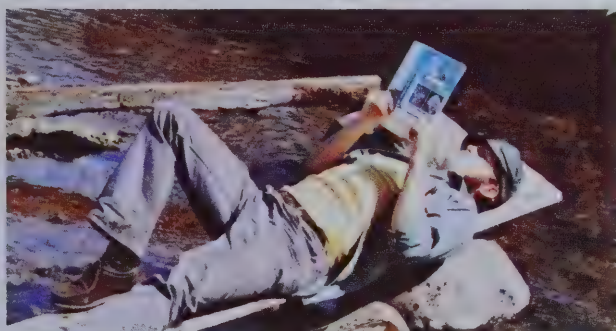
Geophysical crew surveys area of silver-lead anomalies on Sterling c Yukon Territory



View from Liard Copper deposit – Schaft Creek and Mt. Hickman in background



Alaskan exploration – the accommodation is not luxurious



A cool spot away from the black flies and mosquitoes



Activity on the airstrip at Minto copper property, Yukon Territory



Minto copper camp as seen from the air

AMERICAN PROJECTS

For several years Silver Standard has held five key claims in the centre of a copper-rich area of Northern Washington State. The area may be regarded as the southern extension of the important Boundary copper belt. A former producer, the Lone Star mine, lies immediately south of the Silver Standard claims, and is known to contain a further million tons of good grade copper ore. Agreement now has been reached for a consolidation of various claim holdings, and there will be a drill program on the ground this summer.

There was no work program last year at the Red Ledge option in extreme Western Idaho. Higher metal prices make the property increasingly attractive, but there are serious environmental problems to overcome.

For the past three years Silver Standard and Hanna Mining Company have carried out a joint venture exploration program in Northern Washington State. The geological environment is good and mineralization is widespread, but results generally have been disappointing. Last year, three properties were subjected to preliminary work programs, each with negative results. Also last year, the continuing program of geochemical reconnaissance indicated a new area anomalous in copper and molybdenum. Subsequent work has confirmed that the discovery may be important, and provided good title can be acquired to the ground, there will be a percussion drill test this summer.

In Central Idaho, Silver Standard has a 20 percent interest in a drill program that will test an unexplained copper and moly anomaly. The discovery was made as the result of a prospecting venture carried out by a syndicate over the last three years within an old mining area of Idaho. The general exploration program has been terminated.

With the sharp rise in the price of gold on the free market, mining companies have been devoting increasing effort to the search for large tonnage low-grade deposits. Such gold occurrences are uncommon, and Silver Standard engineers concluded that the best opportunities probably could be found in the Western U.S. Through the wholly-owned subsidiary, American Standard Explorations Inc., work has been under way since early spring.

EXPLORATION

Experienced exploration crews that had spent the previous three years in the remote Stikine region were transferred last year to the East Kootenay District. The prospectors were happy to spend some time closer to civilization. Camper trucks replaced helicopters, and an appraisal of the relative costs of working in the two areas confirmed that several times as much productive work could be accomplished in the Kootenays for the same overall expenditure. The East Kootenay, in the backyard of the big Sullivan mine at Kimberly, has been the scene of intensive prospecting activity over the years. Surprisingly, it is still possible to find new mineral occurrences and there are watersheds that apparently have not been traversed by geochemical sampling. Silver Standard crews discovered evidence of widespread zinc mineralization in three areas. The importance of the new finds will be assessed during the current season and one crew will extend the coverage. A second prospecting team will move to the north where the same favorable base metal environment is known to continue.

Last year a single exploration crew spent the summer in the extreme northwestern corner of British Columbia and in adjacent areas of Alaska. Copper-nickel float of good grade was discovered over a wide area. This season, the first objective will be to find the source of the float, and if this is successful, some start will be made in assessing the value of the new occurrence.

Some follow-up remains to be completed in the Yukon Territory as a result of the very large regional program carried out by Silver Standard and American Smelting & Refining Co. in 1970. This work will be conducted in conjunction with the programs on specific properties. A new Yukon area that is judged to have high mineral potential will be subjected to at least preliminary scrutiny.

In Northern Washington State, the Silver Standard subsidiary, American Standard Explorations Inc., and Hanna Mining Co. have had a joint exploration venture for the past three years. Results have been largely negative and there will be no general exploration program this season. Similarly, three years work in Central Idaho has resulted in an unexplained copper-

moly anomaly. American Standard will join two major American companies in a diamond drill test. Finally, a well conceived new exploration venture has been underway in Western U.S.A. since April.



CAMPBELL, SHARP, NASH & FIELD
CHARTERED ACCOUNTANTS
999 WEST PENDER STREET
VANCOUVER, B.C.

June 18, 1973

To the Members,
Silver Standard Mines Limited
(non-personal liability),
Vancouver, B.C.

We have examined the balance sheet of Silver Standard Mines Limited (non-personal liability), as at March 31, 1973, and the deficit, operating and source and application of working capital statements for the year then ended and the related notes. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these statements present fairly the financial position of the company as at March 31, 1973, and the results of its operations and the source and application of its working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CAMPBELL, SHARP, NASH & FIELD
Chartered Accountants.



SILVER STANDARD MINES LIMITED

(Non-Personal Liability)

ASSETS

CURRENT:

	1973	1972
Cash.....	\$ 12,250	\$ 28,463
Marketable securities — at cost		
Bank — term deposit.....	25,000	
Bonds (market value \$23,375).....	25,500	
	50,500	
ADD: Accrued interest.....	730	51,230
Accounts receivable.....	38,520	226,539
Inventory — Diamond drill bits — estimated	1,326	42,490
Prepaid expenses	7,049	1,326
		5,604

TOTAL CURRENT ASSETS **110,375** **304,422**

OTHER ASSETS:

Deferred receivable — Queen Charlotte Iron Properties (Note 2)	201,433	161,206
Advances receivable — subsidiary companies		
American Standard Explorations Inc.	381,033	
St. Joe Mines Ltd. (N.P.L.)	1,165	
Liard Copper Mines Ltd. (N.P.L.).....	1,211	
Table Mountain Mines Ltd. (N.P.L.)	17,708	
Virginia Silver Mines Ltd. (N.P.L.).....	35,864	
Dorita Silver Mines Ltd. (N.P.L.).....	18,299	
Nickel Mountain Mines Ltd. (N.P.L.).....	1,686	456,966
	658,399	327,208
		488,414

INVESTMENTS (Note 1)..... **753,986** **753,985**

CAPITAL ASSETS:

Field office — Smithers, B.C.		
land and buildings at cost, less depreciation	8,440	12,005
Mine equipment — at depreciated value	15,111	17,917
Queen Charlotte Iron Properties — at cost	407,921	
DEDUCT: payments received	328,750	79,171
	79,171	79,171
	102,722	109,093

EXPLORATION AND DEVELOPMENT — at cost (Note 3)..... **1,500,000** **1,000,000**

DEFERRED CHARGES:

	Cost	Written-off		
Organization expense.....	\$ 4,305		4,305	4,305
Outside exploration (Note 4)	1,876,390	885,119	991,271	983,619
	\$ 1,880,695	885,119	995,576	987,924
			\$ 4,121,058	\$ 3,643,838

NOTE: The accompanying notes form an integral part of this and related statements.

Approved on behalf of the Board

R.W. Wilson Director
A.C. Ritchie Director



BALANCE SHEET AS AT MARCH 31, 1973

LIABILITIES

CURRENT:	1973	1972
Accounts payable.....	\$ 44,488	\$ 15,946
Directors fees — accrued.....	10,000	
TOTAL CURRENT LIABILITIES	54,488	15,946
DEFERRED INTEREST PAYABLE.....	6,483	4,366

SHAREHOLDERS' EQUITY

SHARE CAPITAL: (Notes 5, 6 and 7)

Authorized		
10,000,000 common shares of 50 cents each	\$ 5,000,000	
Issued		
5,644,580 common shares of 50 cents each	2,822,290	
ADD: premium on shares	1,931,302	
	4,753,592	
DEDUCT: capital deficit	525,929	
	4,227,663	3,727,663
DEFICIT — per exhibit "A"	(167,576)	(104,137)
	\$ 4,121,058	\$ 3,643,838



SILVER STANDARD MINES LIMITED (Non-Personal Liability)

NOTES TO FINANCIAL STATEMENTS as at March 31, 1973

NOTE 1: INVESTMENTS:

Subsidiary Companies	Common Shares	Percent Equity	Cost
American Standard Explorations Inc.	500	100.0%	\$ 500
Table Mountain Mines Ltd. (N.P.L.)	33,653	51.5	32,909
Liard Copper Mines Ltd. (N.P.L.)	1,172,370	65.6	100,542
Nickel Mountain Mines Ltd. (N.P.L.)	1,058,538	72.5	119,756
Virginia Silver Mines Ltd. (N.P.L.)	2,587,430	92.0	3,201
Dorita Silver Mines Ltd. (N.P.L.)	1,388,640	67.5	327,933
Other			
Albeta Mines Ltd. (N.P.L.)	304,167	18.2	35,792
Carnegie Mining Corporation Ltd. (N.P.L.)	25,000		2,500
Central Nansen Mines Ltd. (N.P.L.) at nominal value	31,350		1
Climax Copper Mines Ltd. (N.P.L.)	80,750	11.5	8,075
Emrex Mining Ltd. (N.P.L.)	25,000		5,000
Grassy Lake Syndicate	5 units	5.0)	
Northlake Mines Ltd. (N.P.L.)	91,500	5.6)	32,050
Ingenika Mines Ltd. (N.P.L.)	50,000		1,500
Moneta Porcupine Mines Ltd. (N.P.L.)	222,796		84,227
			<u>\$ 753,986</u>

The wholly owned subsidiary, American Standard Explorations Inc., is engaged in exploration and development in the United States and as it has no income the accounts are not consolidated.

The subsidiary companies are holding mining properties for development and/or are carrying out development work either directly or indirectly and are non-operating. During the year 519,589 shares of Silmonac Mines Ltd. (N.P.L.) were exchanged (on the basis of three Moneta for seven Silmonac) for 222,796 shares of Moneta Porcupine Mines Ltd. (N.P.L.).

Market values of investments generally are not significant as the shares are either not being actively traded or are held in escrow or are subject to only light trading due to being inactive or in process of development. The 222,796 shares of Moneta Porcupine Mines Ltd. had a market value of \$113,626 as at March 31, 1973.

NOTE 2:

The Queen Charlotte Iron Property was sold on April 28, 1961, in accordance with the terms of an agreement with Granby Mining Co. Ltd. for \$1,000,000, with a \$250,000 down payment and interest at 6% on the balance until paid, plus a royalty of 25 cents per long ton of concentrates shipped in excess of 1,000,000 long tons. The agreement was then assigned by Granby Mining Co. Ltd. to a new company "Jedway Iron Ore Ltd." with the guarantee by Granby Mining Co. Ltd. of all covenants and obligations in the agreement. Interest was received on a quarterly basis from July 1, 1962, to December 31, 1967, and the royalties of 25 cents per long ton of concentrates shipped were received up to and including the final shipment of concentrates.

After closing down their operations on the property in February 1968, Jedway and Granby refused to pay any further interest or principal.

However, as the result of a successful legal action, interest of \$10,906 was received in April 1971 for the period January 1, 1968, to March 31, 1968. Interest from April 1, 1968, to March 31, 1973, has been accrued in the company accounts and a further legal action for \$130,897.98 being interest due for the period April 1, 1968, to June 30, 1971, is presently before the Court together with an action for the principal amount outstanding of \$670,454.50. At the trial, interest will be claimed from June 30, 1971, to the date of trial.

NOTE 3: EXPLORATION AND DEVELOPMENT — \$1,500,000:

This amount represents exploration and development work carried out by Teck Corporation Limited on company properties in respect of which 200,000 shares were issued at \$2.50 per share in 1970, 333,333 shares were issued at \$1.50 per share in 1971, and 333,333 shares were issued at \$1.50 per share in 1972.

NOTE 4: OUTSIDE EXPLORATION:

The amount written off relates to mineral claims which have been abandoned. The balance represents exploration and development expenditures on properties currently under development or held for future work. The company expects to recover \$33,000 of these costs from Silmonac Mines Limited for the preliminary development work on its property.

NOTE 5: EMPLOYEE STOCK OPTIONS:

There were outstanding options to certain officers and employees to purchase 72,500 shares at a price of \$1.52 per share as at March 31, 1973. The option agreement has since been amended to provide for options on 187,500 shares exercisable in equal amounts over a three-year period at prices of 58 cents, 68 cents and 78 cents per share effective from August 1, 1973, to July 31, 1976.

NOTE 6:

The option agreement with Teck Corporation Limited provided for an expenditure of \$2,500,000 on company properties over a five-year period commencing in 1969 of which \$1,000,000 was a firm commitment and \$1,500,000 was at Teck's option. The total expenditures to March 31, 1973, amounted to \$1,708,904.14. During the year, 333,333 shares were issued at \$1.50 per share to Teck Corporation Limited for the third commitment of \$500,000 of expenditures. There has been \$208,904.14 expended against the fourth commitment and the balance must be expended by December 31, 1973. By an amending agreement, the amounts of the expenditures have been reduced from \$500,000 to \$300,000 for each of the fourth and fifth optional commitments thereby reducing the total expenditures to \$2,100,000. Shares may also be taken for each of these \$300,000 expenditures based on the average market price for the last 90 days of the calendar year preceding completion of the commitment less the discount allowed by the Vancouver Stock Exchange, but not less than \$1.50 per share for the fourth commitment, and \$1.00 per share for the last commitment. In addition to the foregoing and in consideration of the expenditures referred to above, Teck Corporation Limited also had an option on a further 2,000,000 shares exercisable at 400,000 shares per year (cumulative) based on the average market price during the 90 days prior to purchase, less allowable discount, but not less than \$1.50 per share, for each \$500,000 annual expenditures made, said options to expire upon termination of expenditures by Teck Corporation Limited. By an amending agreement the options have been reduced from 400,000 shares to 240,000 shares for each of the fourth and fifth optional commitments thereby reducing the total option to 1,680,000 shares. The time for exercising the options has been extended by four years and the price is based on the average market price during the 90 days prior to purchase less allowable discount but not less than \$1.50 per share. In order to keep the options in good standing, Teck Corporation Limited is required to take a minimum of 100,000 shares in each of the years 1975, 1976, 1977, and 1978 and may not take more than 500,000 shares in any one of these years.

NOTE 7: ISSUED SHARE CAPITAL:

	Common Shares	At Par Value	Premium	Total
Balance —				
March 31, 1972	5,311,247	2,655,623	1,597,969	4,253,592
ADD:				
Shares issued under terms of Teck Agreement	333,333	166,667	333,333	500,000
Balance —				
March 31, 1973	5,644,580	2,822,290	1,931,302	4,753,592

NOTE 8:

Your company has an agreement with Wilson Mining Corporation Ltd. which grants that company options to purchase up to ten percent interest in any mining properties from the date any such properties are acquired, and terminating April 1, 1985.

DEFICIT STATEMENT for the year ended March 31, 1973 Exhibit "A"

	1973	1972
BALANCE — at beginning of year.....	\$ 104,137	\$102,730
ADD: Excess of expenditures over income for the year — per exhibit "B".....	<u>63,439</u>	<u>1,407</u>
BALANCE — at end of year — to balance sheet.....	<u>\$ 167,576</u>	<u>\$ 104,137</u>

OPERATING STATEMENT for the year ended March 31, 1973 Exhibit "B"

	1973	1972
INCOME:		
Management services	\$ 189,026	\$ 203,336
Interest — Jedway Iron Ore Ltd.	37,709	47,368
Equipment rental.....	8,707	12,499
Investment income.....	6,111	12,649
Sundry income.....	<u>1,380</u>	<u>1,632</u>
	<u>242,933</u>	<u>277,484</u>
DEDUCT: EXPENDITURES:		
Directors remuneration as executive officers.....	64,284	60,224
Salaries — engineering.....	84,432	79,705
Salaries — office.....	29,878	27,717
Employee benefits.....	17,242	25,327
Directors fees.....	10,000	9,750
Legal and audit.....	45,316	3,425
Travel and field expenses.....	5,276	5,676
General office.....	<u>39,779</u>	<u>46,986</u>
	<u>296,207</u>	<u>258,810</u>
	<u>(53,274)</u>	<u>18,674</u>
ADD: Exploration and development written off		
Current year.....	543	3,207
Prior year.....		6,098
Depreciation — equipment	10,478	9,862
(Profit) loss on sale of equipment	<u>(856)</u>	<u>914</u>
	<u>10,165</u>	<u>20,081</u>
EXCESS OF EXPENDITURES OVER INCOME FOR THE YEAR		
To exhibit "A".....	<u>\$ 63,439</u>	<u>\$ 1,407</u>



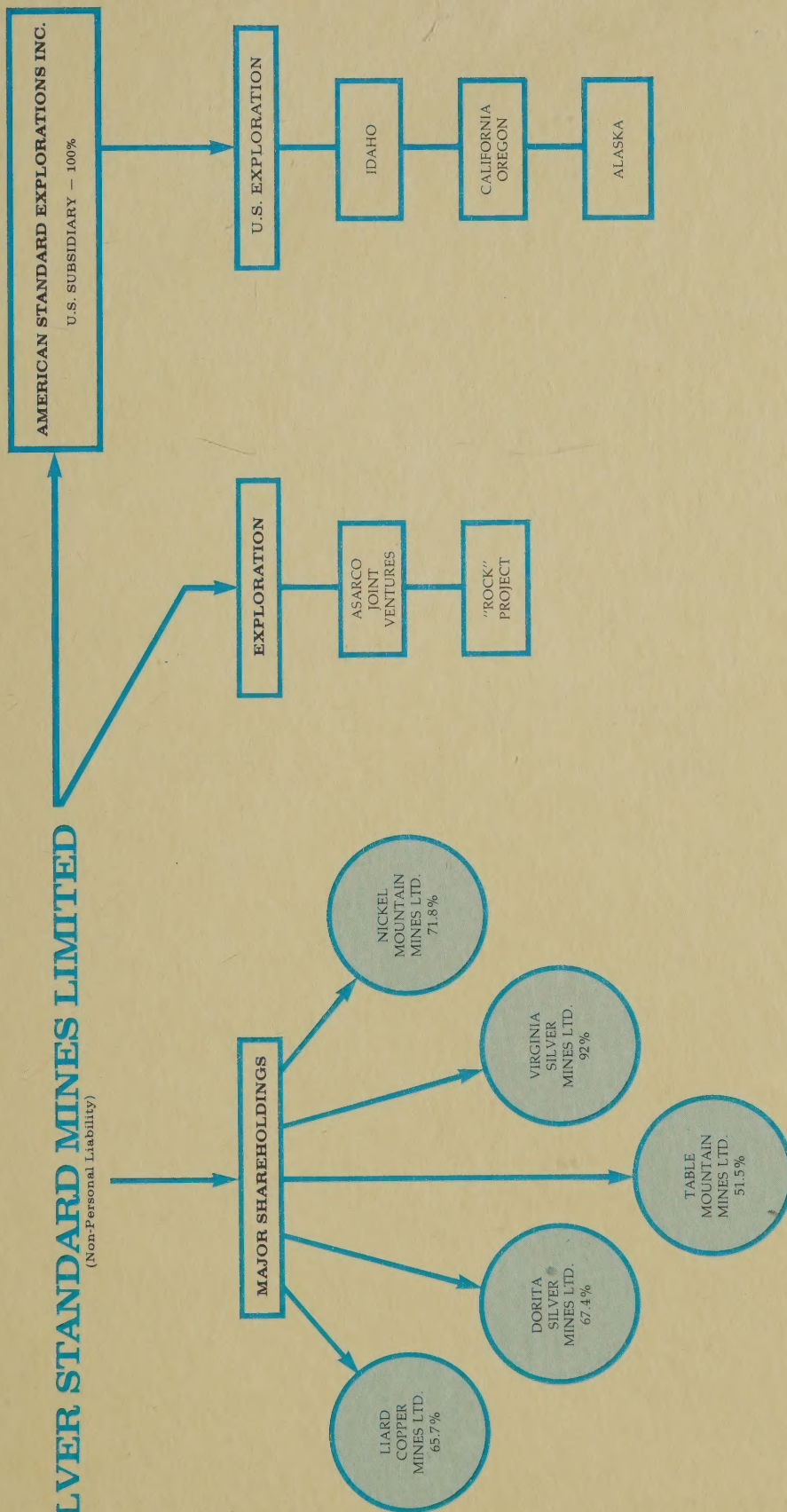
SILVER STANDARD MINES LIMITED (Non-Personal Liability)

SOURCE AND APPLICATION OF WORKING CAPITAL STATEMENT for the year ended March 31, 1973 Exhibit "C"

	1973	1972
WORKING CAPITAL — beginning of year.....	\$ 288,476	\$ 425,362
ADD: SOURCE:		
Operating profit before non-cash charges		18,674
Sale of — development equipment.....	856	
— truck.....		1,350
Proceeds — sale of shares.....		841
	<u>856</u>	<u>20,865</u>
DEDUCT: APPLICATION:		
Operating loss before non-cash charges.....	53,817	
Purchase of equipment.....	135	1,337
Purchase of office equipment.....	3,972	372
Purchase of truck.....		3,611
Outside exploration.....	7,652	29,829
Advances to subsidiary companies.....	129,758	59,313
Deferred interest receivable	38,110	30,038
Investments — shares of subsidiary companies.....	1	26,220
Reduction in deferred interest payable		7,031
	<u>233,445</u>	<u>157,751</u>
DECREASE	<u>232,589</u>	<u>136,886</u>
WORKING CAPITAL — end of year.....	\$ 55,887	\$ 288,476

SILVER STANDARD MINES LIMITED

(Non-Personal Liability)



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